



Dear Valued Customer,

Congress passed legislation that will extend the Paycheck Protection Program (PPP) and offer some companies who already received a PPP loan the possibility for a second PPP loan. Eligibility for a second PPP loan will be based on revenue loss during 2020 relative to 2019 revenue. Summit State Bank (Bank or Summit) is awaiting the President's signature and SBA's guidance on the program, which if signed timely by the President, is expected to be issued early in January 2021. We will continue to communicate change to the program as they arise.

In addition to the continuation of the PPP program, the law remedies key issues that significantly improve the existing program:

1. Increases the streamlined forgiveness from \$50,000 to \$150,000 (requires new application from the SBA).
2. Cements into law that expenses covered by the PPP loan will be deductible at the federal level.
3. Emergency Injury Disaster Loans (EIDL) advances will no longer be deducted from the PPP forgiveness. If your PPP loan was already forgiven and an EIDL advance was subtracted from your total forgiveness, the SBA will make you whole. It is yet to be determined how the SBA plans to reimburse borrowers for their EIDL advance that was subtracted from forgiveness.
4. Expands the list of expenses eligible for forgiveness to include some software and other operational costs, worker Personal Protection Equipment (PPE) and expenses related to damage from public disturbances not covered by insurance.

Please refer to our [PPP webpage](#) for complete instructions on how to submit your application to us. If you have questions, please email us at ppp@summitstatebank.com. The Bank would like to assist everyone; however, the Bank plans on prioritizing its attention at this time to assist customers that already have their primary deposit relationship at Summit.

Thank you for your understanding and for your relationship with Summit State Bank.

Sincerely,
Michael Castlio
SVP & Chief Credit Officer



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